

## FISCAL NOTE

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 12, 1996

SUBJECT: **HB 2583**

This bill, if enacted, will create demonstration projects in six rural and six urban areas, two in each grand division, to develop individual development accounts (IDA) in which AFDC recipients may deposit up to \$5,000 in special savings accounts for career development goals, small business development, or home ownership. Such funds are not to be counted against asset limits for AFDC eligibility.

AFDC recipients who complete job training, and/or become employed will be eligible to receive matching funds into their IDA up to a nine to one ratio. Participants, to be eligible, must be a member of a group who meet twice a month to receive support, training and technical assistance to insure they secure and maintain employment.

The fiscal impact of this bill is estimated to increase state expenditures \$2,127,800 for administering the program and funding the matching payments for participants, of which \$2,071,900 is state funds and \$55,900 federal funds. Based on information from the Department of Human Services it is assumed that 249 recipients would participate and that 90% (224) would become employed and save \$1,000 each.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director